



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB1444

Introduced 2/10/2005, by Rep. Raymond Poe

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-104

from Ch. 108 1/2, par. 14-104

40 ILCS 5/14-130

from Ch. 108 1/2, par. 14-130

Amends the State Employees Article of the Illinois Pension Code. Provides that a member who participated in the University of Illinois Government Public Service Internship Program may establish creditable service for up to 2 years of that participation. Provides that, instead of repaying the entire amount of a refund, a member may repay a portion of the refund and receive credit for the portion of the refund that was repaid. Effective immediately.

LRB094 06763 EFG 36865 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 14-104 and 14-130 as follows:

6 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

7 Sec. 14-104. Service for which contributions permitted.
8 Contributions provided for in this Section shall cover the
9 period of service granted. Except as otherwise provided in this
10 Section, the contributions shall be based upon the employee's
11 compensation and contribution rate in effect on the date he
12 last became a member of the System; provided that for all
13 employment prior to January 1, 1969 the contribution rate shall
14 be that in effect for a noncovered employee on the date he last
15 became a member of the System. Except as otherwise provided in
16 this Section, contributions permitted under this Section shall
17 include regular interest from the date an employee last became
18 a member of the System to the date of payment.

19 These contributions must be paid in full before retirement
20 either in a lump sum or in installment payments in accordance
21 with such rules as may be adopted by the board.

22 (a) Any member may make contributions as required in this
23 Section for any period of service, subsequent to the date of
24 establishment, but prior to the date of membership.

25 (b) Any employee who had been previously excluded from
26 membership because of age at entry and subsequently became
27 eligible may elect to make contributions as required in this
28 Section for the period of service during which he was
29 ineligible.

30 (c) An employee of the Department of Insurance who, after
31 January 1, 1944 but prior to becoming eligible for membership,
32 received salary from funds of insurance companies in the

1 process of rehabilitation, liquidation, conservation or
2 dissolution, may elect to make contributions as required in
3 this Section for such service.

4 (d) Any employee who rendered service in a State office to
5 which he was elected, or rendered service in the elective
6 office of Clerk of the Appellate Court prior to the date he
7 became a member, may make contributions for such service as
8 required in this Section. Any member who served by appointment
9 of the Governor under the Civil Administrative Code of Illinois
10 and did not participate in this System may make contributions
11 as required in this Section for such service.

12 (e) Any person employed by the United States government or
13 any instrumentality or agency thereof from January 1, 1942
14 through November 15, 1946 as the result of a transfer from
15 State service by executive order of the President of the United
16 States shall be entitled to prior service credit covering the
17 period from January 1, 1942 through December 31, 1943 as
18 provided for in this Article and to membership service credit
19 for the period from January 1, 1944 through November 15, 1946
20 by making the contributions required in this Section. A person
21 so employed on January 1, 1944 but whose employment began after
22 January 1, 1942 may qualify for prior service and membership
23 service credit under the same conditions.

24 (f) An employee of the Department of Labor of the State of
25 Illinois who performed services for and under the supervision
26 of that Department prior to January 1, 1944 but who was
27 compensated for those services directly by federal funds and
28 not by a warrant of the Auditor of Public Accounts paid by the
29 State Treasurer may establish credit for such employment by
30 making the contributions required in this Section. An employee
31 of the Department of Agriculture of the State of Illinois, who
32 performed services for and under the supervision of that
33 Department prior to June 1, 1963, but was compensated for those
34 services directly by federal funds and not paid by a warrant of
35 the Auditor of Public Accounts paid by the State Treasurer, and
36 who did not contribute to any other public employee retirement

1 system for such service, may establish credit for such
2 employment by making the contributions required in this
3 Section.

4 (g) Any employee who executed a waiver of membership within
5 60 days prior to January 1, 1944 may, at any time while in the
6 service of a department, file with the board a rescission of
7 such waiver. Upon making the contributions required by this
8 Section, the member shall be granted the creditable service
9 that would have been received if the waiver had not been
10 executed.

11 (h) Until May 1, 1990, an employee who was employed on a
12 full-time basis by a regional planning commission for at least
13 5 continuous years may establish creditable service for such
14 employment by making the contributions required under this
15 Section, provided that any credits earned by the employee in
16 the commission's retirement plan have been terminated.

17 (i) Any person who rendered full time contractual services
18 to the General Assembly as a member of a legislative staff may
19 establish service credit for up to 8 years of such services by
20 making the contributions required under this Section, provided
21 that application therefor is made not later than July 1, 1991.

22 (j) By paying the contributions otherwise required under
23 this Section, plus an amount determined by the Board to be
24 equal to the employer's normal cost of the benefit plus
25 interest, but with all of the interest calculated from the date
26 the employee last became a member of the System or November 19,
27 1991, whichever is later, to the date of payment, an employee
28 may establish service credit for a period of up to 2 years
29 spent in active military service for which he does not qualify
30 for credit under Section 14-105, provided that (1) he was not
31 dishonorably discharged from such military service, and (2) the
32 amount of service credit established by a member under this
33 subsection (j), when added to the amount of military service
34 credit granted to the member under subsection (b) of Section
35 14-105, shall not exceed 5 years. The change in the manner of
36 calculating interest under this subsection (j) made by this

1 amendatory Act of the 92nd General Assembly applies to credit
2 purchased by an employee on or after its effective date and
3 does not entitle any person to a refund of contributions or
4 interest already paid.

5 (k) An employee who was employed on a full-time basis by
6 the Illinois State's Attorneys Association Statewide Appellate
7 Assistance Service LEAA-ILEC grant project prior to the time
8 that project became the State's Attorneys Appellate Service
9 Commission, now the Office of the State's Attorneys Appellate
10 Prosecutor, an agency of State government, may establish
11 creditable service for not more than 60 months service for such
12 employment by making contributions required under this
13 Section.

14 (l) By paying the contributions otherwise required under
15 this Section, plus an amount determined by the Board to be
16 equal to the employer's normal cost of the benefit plus
17 interest, a member may establish service credit for periods of
18 less than one year spent on authorized leave of absence from
19 service, provided that (1) the period of leave began on or
20 after January 1, 1982 and (2) any credit established by the
21 member for the period of leave in any other public employee
22 retirement system has been terminated. A member may establish
23 service credit under this subsection for more than one period
24 of authorized leave, and in that case the total period of
25 service credit established by the member under this subsection
26 may exceed one year. In determining the contributions required
27 for establishing service credit under this subsection, the
28 interest shall be calculated from the beginning of the leave of
29 absence to the date of payment.

30 (m) Any person who rendered contractual services to a
31 member of the General Assembly as a worker in the member's
32 district office may establish creditable service for up to 3
33 years of those contractual services by making the contributions
34 required under this Section. The System shall determine a
35 full-time salary equivalent for the purpose of calculating the
36 required contribution. To establish credit under this

1 subsection, the applicant must apply to the System by March 1,
2 1998.

3 (n) Any person who rendered contractual services to a
4 member of the General Assembly as a worker providing
5 constituent services to persons in the member's district may
6 establish creditable service for up to 8 years of those
7 contractual services by making the contributions required
8 under this Section. The System shall determine a full-time
9 salary equivalent for the purpose of calculating the required
10 contribution. To establish credit under this subsection, the
11 applicant must apply to the System by March 1, 1998.

12 (o) A member who participated in the Illinois Legislative
13 Staff Internship Program may establish creditable service for
14 up to one year of that participation by making the contribution
15 required under this Section. The System shall determine a
16 full-time salary equivalent for the purpose of calculating the
17 required contribution. Credit may not be established under this
18 subsection for any period for which service credit is
19 established under any other provision of this Code.

20 (p) A member who participated in the University of Illinois
21 Government Public Service Internship Program (GPSI) may
22 establish creditable service for up to 2 years of that
23 participation by making the contribution required under this
24 Section. The System shall determine a full-time salary
25 equivalent for the purpose of calculating the required
26 contribution. Credit may not be established under this
27 subsection for any period for which service credit is
28 established under any other provision of this Code.

29 (Source: P.A. 92-54, eff. 7-12-01.)

30 (40 ILCS 5/14-130) (from Ch. 108 1/2, par. 14-130)
31 Sec. 14-130. Refunds; rules.

32 (a) Upon withdrawal a member is entitled to receive, upon
33 written request, a refund of the member's contributions,
34 including credits granted while in receipt of disability
35 benefits, without credited interest. The board, in its

1 discretion may withhold payment of the refund of a member's
2 contributions for a period not to exceed 1 year after the
3 member has ceased to be an employee.

4 For purposes of this Section, a member will be considered
5 to have withdrawn from service if a change in, or transfer of,
6 his position results in his becoming ineligible for continued
7 membership in this System and eligible for membership in
8 another public retirement system under this Act.

9 (b) A member receiving a refund forfeits and relinquishes
10 all accrued rights in the System, including all accumulated
11 creditable service. If the person again becomes a member of the
12 System and establishes at least 2 years of creditable service,
13 the member may repay all the moneys previously refunded or a
14 portion of the moneys previously refunded representing
15 contributions for one or more whole months of creditable
16 service. If a member repays a portion of moneys previously
17 refunded, he or she may later repay some or all of the
18 remaining portion of those previously refunded moneys.

19 A ~~However,~~ a former member may restore credits previously
20 forfeited by acceptance of a refund without returning to
21 service by applying in writing and repaying to the System, by
22 April 1, 1993, the amount of the refund plus regular interest
23 calculated from the date of refund to the date of repayment.

24 The repayment of refunds issued prior to January 1, 1984
25 shall consist of the amount refunded plus 5% interest per annum
26 compounded annually for the period from the date of the refund
27 to the end of the month in which repayment is made. The
28 repayment of refunds issued after January 1, 1984 shall consist
29 of the amount refunded plus regular interest for the period
30 from the date of refund to the end of the month in which
31 repayment is made. The repayment of the refund of a person who
32 accepts an alternative retirement cancellation payment under
33 Section 14-108.5 shall consist of the entire amount paid to the
34 person under subsection (c) of Section 14-108.5 plus regular
35 interest for the period from the date of the refund to the end
36 of the month in which repayment is made. However, in the case

1 of a refund that is repaid in a lump sum between January 1,
2 1991 and July 1, 1991, repayment shall consist of the amount
3 refunded plus interest at the rate of 2.5% per annum compounded
4 annually from the date of the refund to the end of the month in
5 which repayment is made.

6 Upon repayment, the member shall receive credit for the
7 service for which the refund has been repaid, and the
8 corresponding member contributions and regular interest that
9 was forfeited by acceptance of the refund, as well as regular
10 interest for the period of non-membership. Such repayment shall
11 be made in full before retirement either in a lump sum or in
12 installment payments in accordance with such rules as may be
13 adopted by the board.

14 (b-5) The Board may adopt rules governing the repayment of
15 refunds and establishment of credits in cases involving awards
16 of back pay or reinstatement. The rules may authorize repayment
17 of a refund in installment payments and may waive the payment
18 of interest on refund amounts repaid in full within a specified
19 period.

20 (c) A member no longer in service who is unmarried and does
21 not have an eligible survivors annuity beneficiary on the date
22 of application therefor is entitled to a refund of
23 contributions for widow's annuity or survivors annuity
24 purposes, or both, as the case may be, without interest. A
25 widow's annuity or survivors annuity shall not be payable upon
26 the death of a person who has received this refund, unless
27 prior to that death the amount of the refund has been repaid to
28 the System, together with regular interest from the date of the
29 refund to the date of repayment.

30 (d) Any member who has service credit in any position for
31 which an alternative retirement annuity is provided and in
32 relation to which an increase in the rate of employee
33 contribution is required, shall be entitled to a refund,
34 without interest, of that part of the member's employee
35 contribution which results from that increase in the employee
36 rate if the member does not qualify for that alternative

1 retirement annuity at the time of retirement.

2 (Source: P.A. 93-839, eff. 7-30-04.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.